

Tacoma Narrows Bridge Toll Operations

Paula Hammond
Secretary of Transportation

David Dye
Deputy Secretary

Steve Reinmuth
Chief of Staff

Greg Selstead
Director, Toll Operations

Craig Stone
Urban Corridors Administrator

Washington State Transportation Commission

November 19, 2008



Washington State
Department of Transportation

Tacoma Narrows Bridge Citizen Advisory Committee Meeting

October 28, 2008 - 5:00 – 7:00 p.m.

Gig Harbor Civic Center
3510 Grandview St.
Gig Harbor, Wa

TNB Citizen Advisory Committee:

Caroline Belleci, University Place
Tracy Hopkins, Gig Harbor
Jim Pasin, Gig Harbor
Bob Ryan, Tacoma
Ted Hilliard, Tracyton
Becky Morgan, Gig Harbor
Sonja Morgan, Tacoma
Alan Weaver, Gig Harbor
Ron Jones, Gig Harbor

WA State Transportation Commission:

Dan O'Neal
Reema Griffith

WSDOT:

Ted Trepanier
Greg Selstead
Janet Matkin
Ramona Lovelace
Heather Reitmeier

Office of Financial Management:

Clint McCarthy

AGENDA

5:00 – 5:05	Call to order	Bob Ryan
5:05 – 5:15	Welcome and introductions	Bob Ryan
5:15 – 5:30	Transportation Commission comments/direction	Dan O'Neal
5:30 – 5:50	Work Plan review and agenda review	Greg Selstead
5:50 – 6:30	Follow-up items from July 2008 meeting <ul style="list-style-type: none">• Toll Operations presentation• Financial Statements review	Ted Trepanier
6:30 – 6:45	Toll Operations Benchmarks and Incentives Report	Clint McCarthy
6:45 – 6:55	Public Comment	Public
6:55 – 7:00	Adjournment	Bob Ryan

* DIRECTIONS: From the Tacoma Narrows Bridge, take the Wollochet DR NW exit. Turn right onto Pioneer Way. Continue ahead 0.1 miles and turn right onto Grandview. The Civic Center will be at this location.

**Tacoma Narrows Bridge
Citizen Advisory Committee
Rate Recommendation Work Plan – Fall 2008**

Goal:

In an advisory capacity, recommend a toll rate for the Tacoma Narrows Bridge. This recommendation will be presented to the Transportation Commission at their December 2008 meeting.

Meetings:

1. October 28, 2008
 - Welcome & Introductions
 - Transportation Commission Comments & Direction
 - Work Plan Review and Agenda Review
 - Follow-up items from July 2008 Meeting
 - ⇒ Toll Operations Presentation
 - ⇒ Financial Statements Review
 - Toll Operations Benchmarks and Incentives Report
 - Public Comment
 - Adjourn
2. November 13, 2008
 - Welcome & Introductions
 - Work Plan Review and Agenda Review
 - Budgeting Process Overview
 - Revenue Forecast Review
 - Rate Setting Policies/Criteria
 - ⇒ Exemptions
 - ⇒ Discounts
 - ⇒ Reserve
 - Public Comment
 - Adjourn
3. November 18, 2008
 - Welcome & Introductions
 - Work Plan Review and Agenda Review
 - Draft Rate Scenarios Review, Development and Direction
 - Public Comment
 - Adjourn

4. December 2, 2008

- Welcome & Introductions
- Work Plan Review and Agenda Review
- Rate Scenario Review and Deliberation
- Public Comment
- Adjourn

5. December 4, 2008

- Welcome & Introductions
- Work Plan Review and Agenda Review
- Rate Setting Deliberation
- Rate Setting Recommendation
- Next Steps with Commission & Presentation
- Public Comment
- Adjourn

Tacoma Narrows Bridge Toll Operations

Working Reports as of September 30, 2008

Paula J. Hammond, P.E.
Secretary

David L. Dye, P.E.
Deputy Secretary

Steve Reinmuth
Chief of Staff

Greg Selstead
Director, Toll Operations

Ted Trepanier
Co-Director Maintenance and Operations
State Traffic Engineer

TNB Citizen Advisory Committee
October 28, 2008

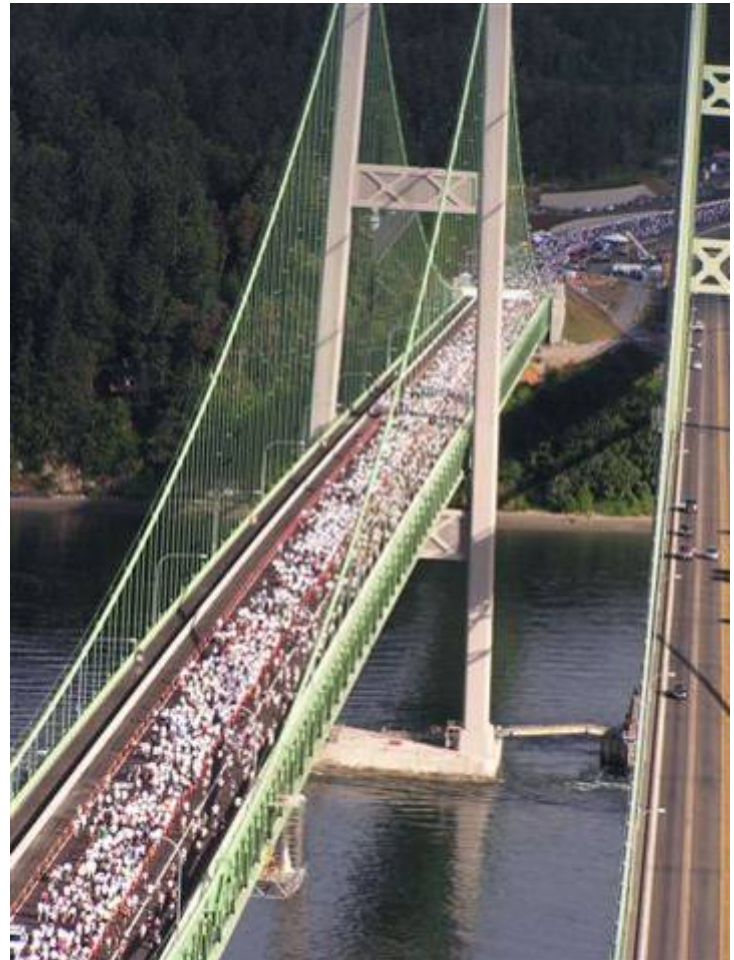


Washington State
Department of Transportation

Tacoma Narrows Bridge Toll Operations

(July 16, 2007 – September 30, 2008)

- Over 108,217 *Good To Go!* accounts and 242,827 transponders – more than five times the goal.
- 96% of Gig Harbor households have *Good To Go!* accounts.
- Nearly 70% used electronic toll lanes – over 85% of morning commuters currently use electronic lanes.
- More than 17.5 million transactions and almost \$42.9 million in revenue.
- Violation rate averaging around 2.2% for the past year.



Traffic and Revenue

for FY 2008

	Projected Traffic	Actual Traffic	Variance	Projected Revenue	Actual Revenue	Variance
Jul-07	627,125	670,198	43,073	\$1,477,654	\$1,509,550	\$31,896
Aug-07	1,215,055	1,332,868	117,813	2,862,954	2,889,731	26,777
Sep-07	1,151,365	1,222,252	70,887	2,703,659	2,744,747	41,088
Oct-07	1,163,238	1,242,451	79,213	2,672,600	2,739,561	66,961
Nov-07	1,105,981	1,165,676	59,695	2,530,697	2,604,895	74,198
Dec-07	1,167,808	1,168,397	589	2,651,153	2,614,333	(36,820)
Jan-08	1,174,117	1,136,487	(37,630)	2,502,701	2,498,116	(4,585)
Feb-08	1,175,347	1,123,576	(51,771)	2,501,786	2,490,628	(11,158)
Mar-08	1,295,838	1,194,321	(101,517)	2,756,084	2,664,102	(91,982)
Apr-08	1,236,939	1,176,209	(60,730)	2,624,481	2,610,276	(14,205)
May-08	1,299,701	1,252,559	(47,142)	2,776,801	2,803,000	26,199
Jun-08	1,255,786	1,203,867	(51,919)	2,632,724	2,719,247	86,523
FY Total	13,868,300	13,888,861	20,561	\$30,693,294	\$30,888,186	\$194,892

July-Dec 2007 projections based on the forecast dated April 2007.

Jan-Mar 2008 projections based on the forecast dated February 2008.

June 2008 projections based on the forecast dated June 2008.

Traffic and Revenue

for FY 2009

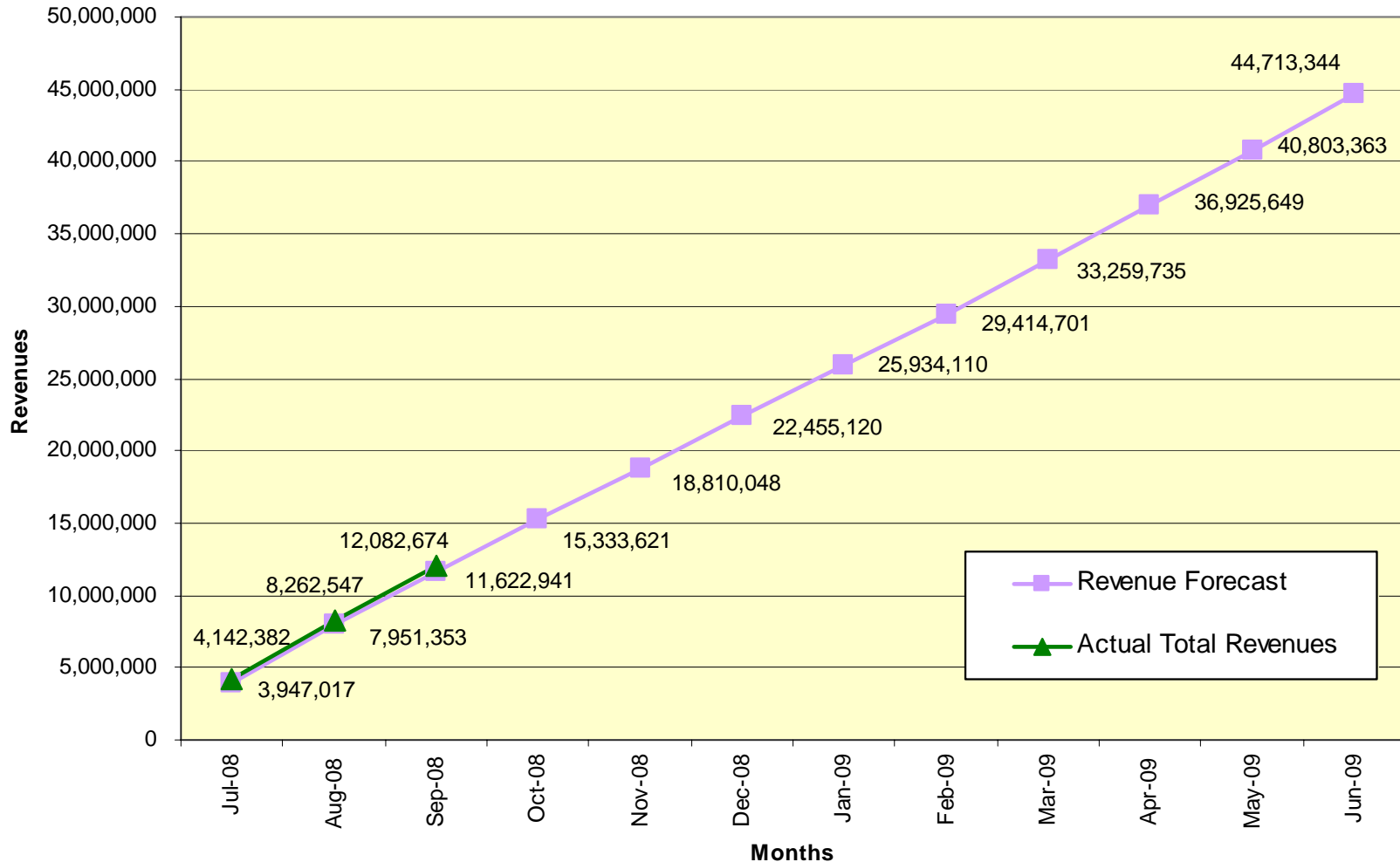
	Projected Traffic	Actual Traffic	Variance	Projected Revenue	Actual Revenue	Variance
Jul-08	1,255,786	1,235,349	(20,437)	\$3,947,017	\$4,142,382	\$195,365
Aug-08	1,266,537	1,248,245	(18,292)	4,004,336	4,120,165	115,829
Sep-08	1,161,754	1,186,566	24,812	3,671,588	3,820,127	148,539
Oct-08	1,180,928			3,710,680		
Nov-08	1,107,862			3,476,427		
Dec-08	1,167,554			3,645,072		
Jan-09	1,115,745			3,478,990		
Feb-09	1,117,296			3,480,591		
Mar-09	1,232,792			3,845,034		
Apr-09	1,176,750			3,665,914		
May-09	1,236,711			3,877,714		
Jun-09	1,251,005			3,909,981		
FY Total	14,270,720	3,670,160	(13,917)	\$44,713,344	\$12,082,674	\$459,733

July-August 2008 projections based on forecast dated June 2008.

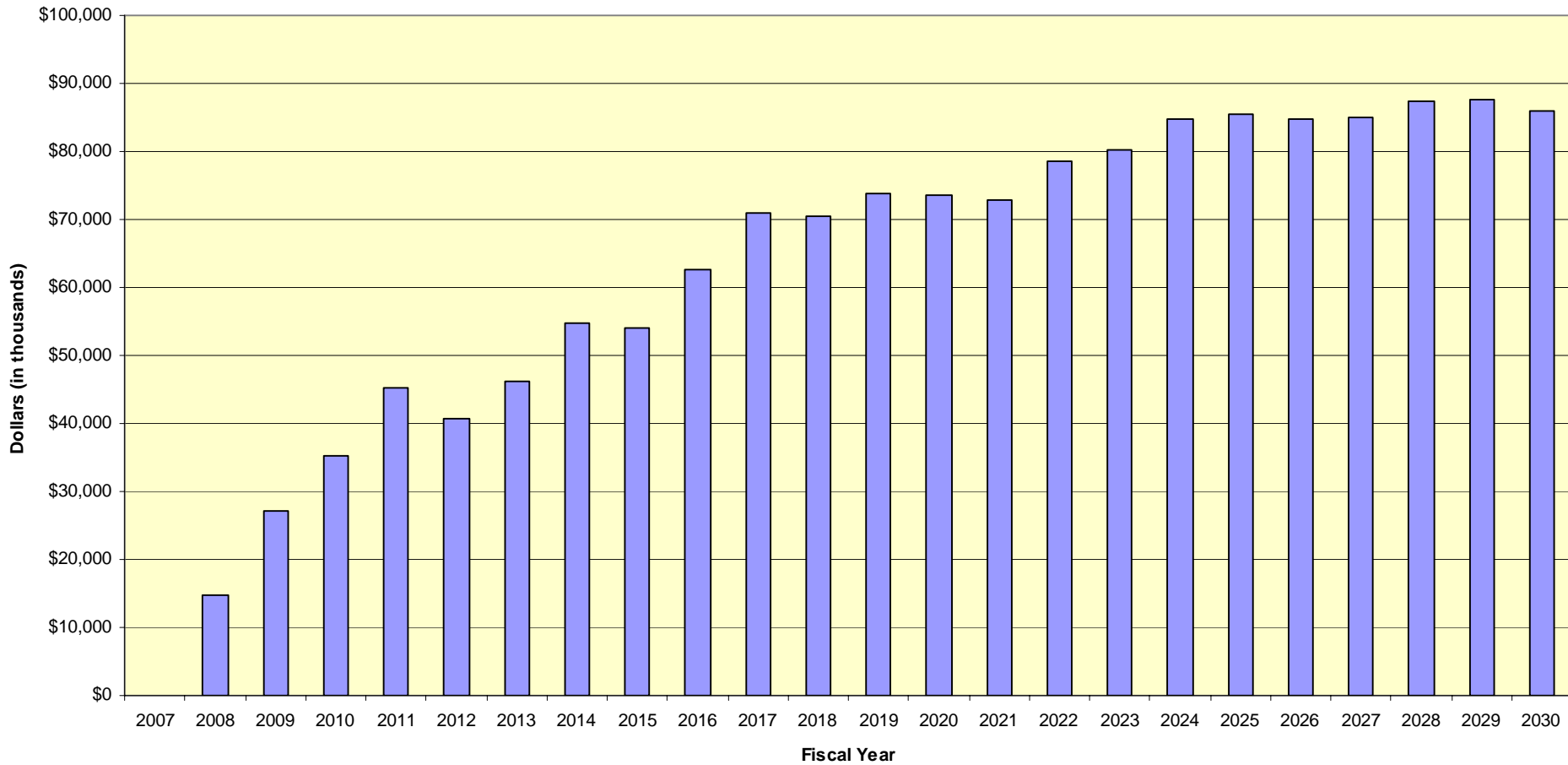
Sept 2008-June 2009 projections based on forecast dated September 2008.

Projected vs. Actual Revenue

FY July 2008 – June 2009



Baseline Tacoma Narrows Bridge Debt Service Schedule



**Meeting debt service requirements in future years is based on
estimated increases to toll rates in 2010, 2013 and 2016**

Budget and Actual Expenditures

FY 2008-09 compared to actual

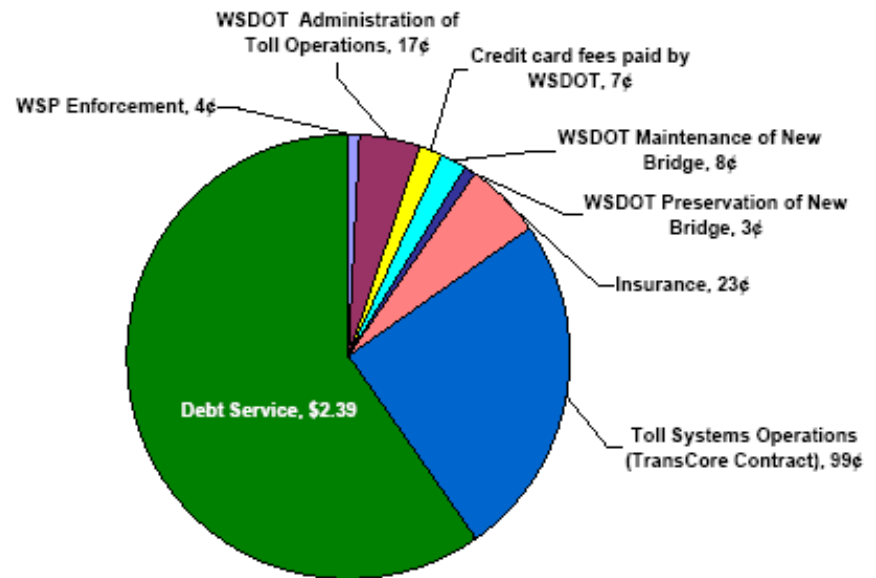
	Supplemental Budget	Actual Expenditures ¹ thru 09/30/08	Remaining Balance thru 09/30/08
WSP Enforcement	\$633,000	\$588,396	\$44,604
WSDOT Administration of Toll Operations	2,960,000	1,517,801	1,442,199
Credit card fees paid by WSDOT	1,253,000	717,520	535,480
WSDOT Maintenance of New Bridge	1,486,000	259,459	1,226,541
WSDOT Preservation of New Bridge	477,000	3,889	473,111
Insurance	4,020,000	2,680,038	1,339,962
Toll Systems Operations (TransCore Contract)	17,493,000	10,089,988	7,403,012
SUBTOTAL of Operations and Maintenance Expenses	\$28,322,000	\$15,857,091	\$12,464,909
Debt Service	42,010,000	14,688,752	27,321,248
Total	\$70,322,000	\$30,545,843	\$39,786,157

¹These amounts represent invoices processed to date that may not include all possible expenditures through September 30, 2008.

Where The Money Goes?

Allocation of \$4 toll on TNB for FY 2008 – 09
New supplemental budget levels

	Biennium \$	Percentage
WSP Enforcement	\$633,000	.9%
WSDOT Administration of Toll Operations	2,960,000	4.2%
Credit card fees paid by WSDOT	1,253,000	1.8%
WSDOT Maintenance of New Bridge	1,486,000	2.1%
WSDOT Preservation of New Bridge	477,000	0.7%
Insurance	4,020,000	5.7%
Toll Systems Operations (TransCore Contract)	17,493,000	24.9%
SUBTOTAL of Operations and Maintenance Expenses	28,322,000	40.3%
Debt Service	42,010,000	59.7%
Total	\$70,332,000	100%



Questions?

For more information go to:

www.wsdot.wa.gov/operations/tolling

or Contact

Ted Trepanier at (360) 705-7280 or TrepanT@wsdot.wa.gov

Greg Selstead at (360) 705-7801 or SelsteG@wsdot.wa.gov



Washington State
Department of Transportation

Tacoma Narrows Bridge Citizen Advisory Committee Meeting

November 13, 2008 - 5:00 – 7:00 p.m.

The INN at Gig Harbor
211 56th St NW - Gig Harbor, WA 98335

TNB Citizen Advisory Committee:

Caroline Belleci, University Place
Tracy Hopkins, Gig Harbor
Jim Pasin, Gig Harbor
Bob Ryan, Tacoma
Ted Hilliard, Tracyton
Becky Morgan, Gig Harbor
Sonja Morgan, Tacoma
Alan Weaver, Gig Harbor
Ron Jones, Gig Harbor

WA State Transportation Commission:

Dan O'Neal
Reema Griffith

WSDOT:

Ted Trepanier
Greg Selstead
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5:10 – 5:15	Transportation Commission comments	Dan O'Neal
5:15 – 5:20	Work Plan review and agenda review	Ted Trepanier
5:20 – 6:10	Follow-up items from Oct. 28, 08 meeting <ul style="list-style-type: none">• Fund 511 Interest• Debt Service Schedule• Insurance• Update on WSP Services and Budget	Ted Trepanier
6:10 – 6:35	Financial Plan Summary	Ted & Ramona Lovelace
6:35 – 6:45	Toll Rate Setting Policies	Bob Ryan
6:45 – 6:55	Public Comment	Public
6:55 – 7:00	Adjournment	All

Tacoma Narrows Bridge Toll Operations

**Working Reports as of September 30, 2008
Follow-up information as requested**

Paula J. Hammond, P.E.
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Deputy Secretary

Steve Reinmuth
Chief of Staff

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**TNB Citizen Advisory Committee
November 13, 2008**



Washington State
Department of Transportation

TNB Fund 511

History of Interest Earnings through Sept. 30, 2008

Month	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
July	\$0.00	\$23,023.51	\$47,846.81	\$54,477.09	\$37,900.19	\$180,795.77	\$92,180.45	\$29,597.06
August	0.00	8,366.46	149,779.10	95,681.19	25,004.30	172,282.09	90,271.31	38,309.31
September	0.00	(4,363.70)	160,094.82	89,319.25	52,314.95	160,549.50	88,872.12	52,059.51
October	0.00	326,421.79	138,953.19	79,441.19	120,185.42	152,626.14	116,352.67	
November	0.00	247,027.89	97,757.70	68,938.55	100,288.28	136,611.34	112,350.41	
December	0.00	195,669.05	74,389.89	60,705.50	89,009.46	132,329.11	99,001.85	
January	0.00	179,315.67	70,793.88	47,839.28	65,356.79	117,678.99	101,312.73	
February	0.00	204,439.98	82,867.92	31,481.68	172,776.65	157,742.74	92,020.67	
March	0.00	266,196.52	199,607.29	56,918.10	207,922.03	162,187.35	85,543.05	
April	24,310.20	201,036.40	93,453.81	74,446.63	192,458.92	148,705.59	83,848.51	
May	21,404.06	265,855.43	71,352.90	64,350.36	189,822.06	136,564.58	58,154.00	
June	21,804.82	144,116.21	52,463.44	50,743.65	179,134.68	125,012.41	35,298.02	
Total	\$67,519.08	\$2,057,105.21	\$1,239,360.75	\$774,342.47	\$1,432,173.73	\$1,783,085.61	\$1,055,205.79	\$119,965.88

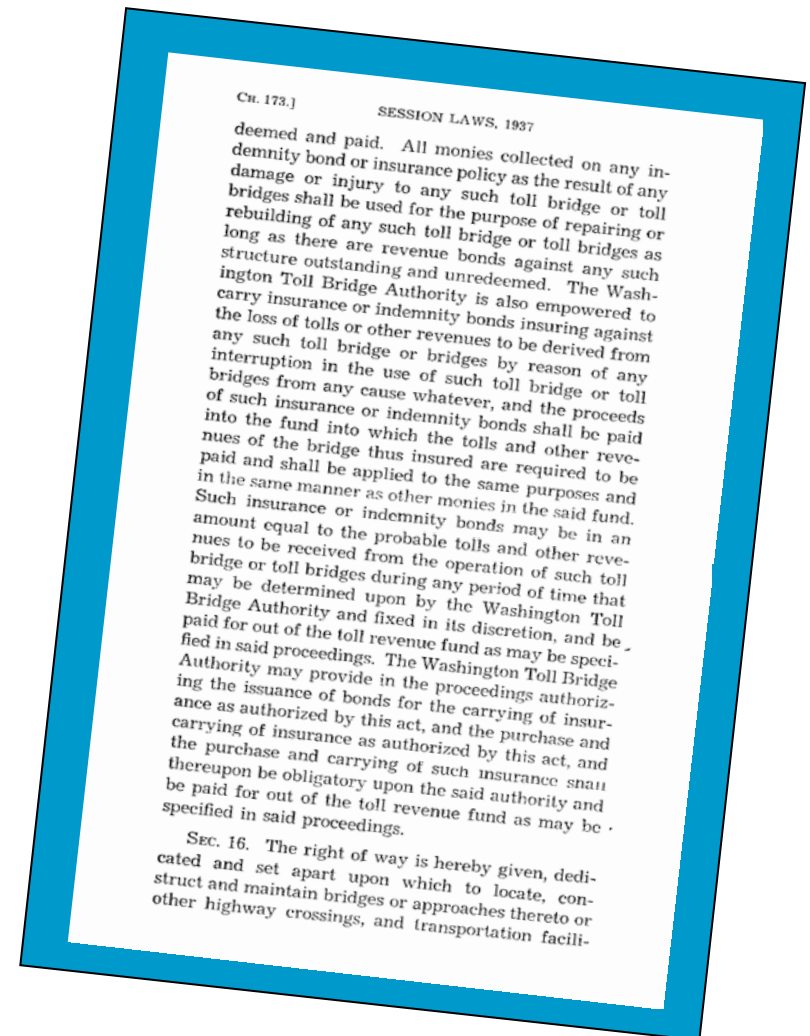
Cumulative	\$67,519.08	\$2,124,624.29	\$3,363,985.04	\$4,138,327.51	\$5,570,501.24	\$7,353,586.85	\$8,408,792.64	\$8,528,758.52
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Debt Service Obligations
Fund 511 - Tacoma Narrows Bridge Account
Prepared for the Citizens Advisory Committee

Biennium	Fiscal Year	Payment Date	Total Payments Sales 1 - 11 680,990,657	By Year/By Biennium
2005-07	2007	Jun-07	4,372,376.23	
2007-09	2008	Dec-07	1,290,209.38	
	2008	Jun-08	13,098,542.71	14,388,752.09
	2009	Dec-08	12,855,209.38	
	2009	Jun-09	14,060,209.38	26,915,418.76
			41,304,170.85	41,304,170.85
2010-11	2010	Dec-09	17,830,209.38	
	2010	Jun-10	17,095,209.38	34,925,418.76
	2011	Dec-10	18,095,209.38	
	2011	Jun-11	26,860,209.38	44,955,418.76
			79,880,837.52	79,880,837.52
2011-13	2012	Dec-11	17,251,334.38	
	2012	Jun-12	23,191,334.38	40,442,668.76
	2013	Dec-12	19,646,334.38	
	2013	Jun-13	26,316,334.38	45,962,668.76
			86,405,337.52	86,405,337.52
2013-15	2014	Dec-13	23,774,134.38	
	2014	Jun-14	30,599,134.38	54,373,268.76
	2015	Dec-14	22,912,034.38	
	2015	Jun-15	30,947,034.38	53,859,068.76
			108,232,337.52	108,232,337.52
2015-17	2016	Dec-15	27,148,684.38	
	2016	Jun-16	35,043,684.38	62,192,368.76
	2017	Dec-16	30,993,959.38	
	2017	Jun-17	39,373,959.38	70,367,918.76
			132,560,287.52	132,560,287.52
2017-19	2018	Dec-17	28,439,159.38	
	2018	Jun-18	41,734,159.38	70,173,318.76
	2019	Dec-18	30,031,284.38	
	2019	Jun-19	43,131,284.38	73,162,568.76
			143,335,887.52	143,335,887.52
2019-21	2020	Dec-19	29,746,243.75	
	2020	Jun-20	43,371,243.75	73,117,487.50
	2021	Dec-20	28,619,525.00	
	2021	Jun-21	44,064,525.00	72,684,050.00
			145,801,537.50	145,801,537.50
2021-23	2022	Dec-21	31,776,731.25	
	2022	Jun-22	46,571,731.25	78,348,462.50
	2023	Dec-22	31,805,375.00	
	2023	Jun-23	47,915,375.00	79,720,750.00
			158,069,212.50	158,069,212.50
2023-25	2024	Dec-23	35,541,875.00	
	2024	Jun-24	48,181,875.00	83,723,750.00
	2025	Dec-24	34,931,750.00	
	2025	Jun-25	49,836,750.00	84,768,500.00
			168,492,250.00	168,492,250.00
2025-27	2026	Dec-25	34,607,250.00	
	2026	Jun-26	49,517,250.00	84,124,500.00
	2027	Dec-26	35,289,500.00	
	2027	Jun-27	49,089,500.00	84,379,000.00
			168,503,500.00	168,503,500.00
2027-29	2028	Dec-27	36,614,000.00	
	2028	Jun-28	50,039,000.00	86,653,000.00
	2029	Dec-28	35,923,750.00	
	2029	Jun-29	51,118,750.00	87,042,500.00
			173,695,500.00	173,695,500.00
2029-31	2030	Dec-29	35,134,250.00	
	2030	Jun-30	50,164,250.00	85,298,500.00
	2031	Dec-30	0.00	0.00
			85,298,500.00	85,298,500.00

Insurance on the bridge

- Loss of tolling revenue would put the State at risk of defaulting on the outstanding bonds.
- Covers \$500 million property loss from earthquake, flood (tsunami) or terrorism. Property loss deductible of \$10 million and terrorism deductible of \$5 million.
- It also covers up to \$60 million of lost tolling revenue from these events with a deductible of 10 days.
- Cost for the entire policy is \$2,680,038 for calendar year 2008.
- Toll bridges in the state have been insured dating back to original 1937 law (shown at right).



Washington State Patrol Budget & History

- Original 07-09 biennial budget contained:
 - Budget category Incident Response, Security and Enforcement
 - Included: Incident Response
 - Washington State Patrol
 - Pilot tow truck program for 90 days
- OFM and legislative staff biennialized the amount of the tow truck program and identified the amount as a budget reduction.
- Result: A \$300,000 budget reduction that had never been in the budget.
- In addition, the Legislature made a specific cut to WSP services.
- As a result, WSP services were only funded through August 2008.
- This service is mission critical. WSP services are currently provided at a minimal level of one Sergeant and two Cadets. Continued funding provided through overall management of B program.

TNB Traffic & Revenue Summary

Sept. 2008 Forecast

	Estimated Annual Traffic	Estimated Annual Revenue
FY 2008 - Actuals	13,897,690	\$29,631,614
FY 2009	14,232,990	44,785,873
FY 2010	14,412,307	58,802,897
FY 2011	14,903,820	60,814,279
FY 2012	15,293,415	62,403,792

Assumptions:

1. Toll rate of \$4.00 for FY 2009 through FY 2012.
2. 2.0 percent transaction violation rate.

Tacoma Narrows Bridge Revenue Forecast Assumptions November, 2008

This forecast is based on **15.5** months actual recorded traffic and revenue, collected July 16, 2007 through **October 31, 2008**, and includes allowances for non-revenue and violation traffic. This is based on modeling developed by the traffic and revenue consultant for the Tacoma Narrows Bridge.

1. Based on forecasts prepared in 2005, average daily traffic is assumed to grow 2.4% annually, on average, through 2015. Growth between 2016 and 2020 is assumed to be 1.1% annually, then 1.5% through 2025.
2. Passenger vehicles (automobiles, automobiles w/1-axle trailers, and automobiles w/2-axle trailers) constitute 96.8% of overall traffic, and commercial vehicles (2-axles to 6+ axles) make up 3.2% of the traffic.
3. Toll collection began July 16, 2007; FY 2009 forecast *incorporates four months of actual experience under the new toll schedule adopted by the Washington State Transportation Commission that went into effect on July 1, 2008.*
4. Participation in electronic toll collection (ETC) **during the summer months has been between 65% and 68%, with some weekday highs at 74%. Weekend average ETC participation is 53.3%.** Consultants will use this information to develop an average ETC participation percentage for each month of the forecast.
5. Effective July 1, 2008 through June 30, 2009, toll rates will be: \$2.75/ETC per 2-axle vehicle and \$4.00/cash per 2-axle vehicle, with per axle proportional tolls for multi-axle vehicles. For forecasting purposes, the rate assumed for July 1, 2009 through June 30, 2012 is \$4.00 per 2-axle vehicle (**no ETC discount offered**), \$2.00 per additional axle for multi-axle vehicles. **Forecasts beginning for FY2013 will assume a toll of \$5.00 per 2-axle vehicle, increasing to \$6.00 for FY 2016 and beyond (no ETC discount offered).**
6. A low rate of violations, less than 2.5% of overall traffic, has been experienced **during the summer months. A violation rate of 2 percent has been assumed for the forecast period through FY 2012.** Overall, revenue from violations is expected to be immaterial to the Revenue Forecast at this time. The first *fifteen* months history of collection of violation revenue via the court process has not produced a trend that is **material**.
7. Revenue from transponder sales is based primarily on a maintenance level, **with demand for new transponders remaining higher than anticipated. With implementation of the new retail sales tax requirements, revenue will be calculated at \$11.07 for each eGo! Tag and \$27.68 for each License Plate Tag.** Tag sales are estimated at approximately **5,000** and **50** per month, respectively.
8. **The current slowdown in the national and regional economy, and high gasoline prices, are anticipated to persist through the end of calendar year 2009 as reflected in economic projections produced in September 2008 by the Washington State Economic & Revenue Forecast Council. A negative adjustment has been applied to average daily traffic forecasts for the Tacoma Narrows Bridge traffic through December 2009 to reflect these conditions.**
9. **Reconstruction of the Nalley Valley interchanges is anticipated to result in minor traffic and toll revenue impacts.**

For more information go to:

www.wsdot.wa.gov/operations/tolling

Or Contact

Ted Trepanier at (360) 705-7280

Greg Selstead at (360) 705-7801